

House Study Bill 579

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
EDUCATION BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the elimination of the educational excellence
2 phase II program and providing for the equivalent of the
3 education excellence phase II funding to be transferred into
4 the state school foundation aid formula and providing an
5 appropriation and effective and applicability dates.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
7 TLSB 5318XD 82
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1 1 Section 1. Section 257.1, subsection 2, unnumbered
1 2 paragraph 2, Code 2007, is amended to read as follows:
1 3 For the budget year commencing July 1, ~~1999~~ 2008, and for
~~1 4 each succeeding budget year~~ the regular program foundation
1 5 base per pupil is eighty-seven and five-tenths percent of the
1 6 regular program state cost per pupil plus the amount computed
~~1 7 in section 257.8, subsection 3A. For the budget year~~
~~1 8 commencing July 1, 2009, and for each succeeding budget year,~~
~~1 9 the regular program foundation base per pupil is eighty-seven~~
~~1 10 and five-tenths percent of the regular program state cost per~~
~~1 11 pupil.~~ For the budget year commencing July 1, 1991, and for
1 12 each succeeding budget year the special education support
1 13 services foundation base is seventy-nine percent of the
1 14 special education support services state cost per pupil. The
1 15 combined foundation base is the sum of the regular program
1 16 foundation base and the special education support services
1 17 foundation base.
1 18 Sec. 2. Section 257.8, Code Supplement 2007, is amended by
1 19 adding the following new subsection:
1 20 NEW SUBSECTION. 3A. ALTERNATE ALLOWABLE GROWTH ==
1 21 EDUCATIONAL EXCELLENCE PROGRAM. Notwithstanding the
1 22 calculation in subsection 2, the department of management
1 23 shall calculate the regular program allowable growth for the
1 24 budget year beginning July 1, 2008, by multiplying the state
1 25 percent of growth for the budget year by the regular program
1 26 state cost per pupil for the base year, and adding seventy
1 27 dollars to the resulting product.
1 28 Sec. 3. Section 257.14, subsection 3, paragraphs e, f, g,
1 29 h, and i, Code 2007, are amended to read as follows:
1 30 e. (1) For the budget year commencing July 1, 2008, the
1 31 greater of the difference between the regular program district
1 32 cost for the budget year and one hundred one percent of the
1 33 regular program district cost for the base year, or fifty
1 34 percent of the amount by which the budget guarantee as
1 35 calculated for the budget year beginning July 1, 2003, exceeds
2 1 the adjusted guarantee amount. For purposes of this
2 2 paragraph, the "adjusted guarantee amount" means the amount
2 3 which would be applicable for the budget year beginning July
2 4 1, 2008, if the budget guarantee were determined for that
2 5 budget year as calculated for the budget year beginning July
2 6 1, 2003.
2 7 (2) For the purposes of the adjusted guarantee amount
2 8 calculation in this paragraph, the regular program district
2 9 cost calculated for the budget year beginning July 1, 2003,
2 10 shall be increased by an amount equal to seventy dollars
2 11 multiplied by the district's budget enrollment for the budget
2 12 year beginning July 1, 2008.
2 13 (3) For the purposes of the one hundred one percent
2 14 calculated in this paragraph, the regular program district
2 15 cost per pupil for the budget year beginning July 1, 2008,
2 16 shall be reduced by seventy dollars.

2 17 f. For the budget year commencing July 1, 2009, the
2 18 greater of the difference between the regular program district
2 19 cost for the budget year and one hundred one percent of the
2 20 regular program district cost for the base year, or forty
2 21 percent of the amount by which the budget guarantee as
2 22 calculated for the budget year beginning July 1, 2003, exceeds
2 23 the adjusted guarantee amount. For purposes of this
2 24 paragraph, the "adjusted guarantee amount" means the amount
2 25 which would be applicable for the budget year beginning July
2 26 1, 2009, if the budget guarantee were determined for that
2 27 budget year as calculated for the budget year beginning July
2 28 1, 2003. For the purposes of the adjusted guarantee amount
2 29 calculation in this paragraph, the regular program district
2 30 cost calculated for the budget year beginning July 1, 2003,
2 31 shall be increased by an amount equal to seventy dollars
2 32 multiplied by the district's budget enrollment for the budget
2 33 year beginning July 1, 2009.

2 34 g. For the budget year commencing July 1, 2010, the
2 35 greater of the difference between the regular program district
3 1 cost for the budget year and one hundred one percent of the
3 2 regular program district cost for the base year, or thirty
3 3 percent of the amount by which the budget guarantee as
3 4 calculated for the budget year beginning July 1, 2003, exceeds
3 5 the adjusted guarantee amount. For purposes of this
3 6 paragraph, the "adjusted guarantee amount" means the amount
3 7 which would be applicable for the budget year beginning July
3 8 1, 2010, if the budget guarantee were determined for that
3 9 budget year as calculated for the budget year beginning July
3 10 1, 2003. For the purposes of the adjusted guarantee amount
3 11 calculation in this paragraph, the regular program district
3 12 cost calculated for the budget year beginning July 1, 2003,
3 13 shall be increased by an amount equal to seventy dollars
3 14 multiplied by the district's budget enrollment for the budget
3 15 year beginning July 1, 2010.

3 16 h. For the budget year commencing July 1, 2011, the
3 17 greater of the difference between the regular program district
3 18 cost for the budget year and one hundred one percent of the
3 19 regular program district cost for the base year, or twenty
3 20 percent of the amount by which the budget guarantee as
3 21 calculated for the budget year beginning July 1, 2003, exceeds
3 22 the adjusted guarantee amount. For purposes of this
3 23 paragraph, the "adjusted guarantee amount" means the amount
3 24 which would be applicable for the budget year beginning July
3 25 1, 2011, if the budget guarantee were determined for that
3 26 budget year as calculated for the budget year beginning July
3 27 1, 2003. For the purposes of the adjusted guarantee amount
3 28 calculation in this paragraph, the regular program district
3 29 cost calculated for the budget year beginning July 1, 2003,
3 30 shall be increased by an amount equal to seventy dollars
3 31 multiplied by the district's budget enrollment for the budget
3 32 year beginning July 1, 2011.

3 33 i. For the budget year commencing July 1, 2012, the
3 34 greater of the difference between the regular program district
3 35 cost for the budget year and one hundred one percent of the
4 1 regular program district cost for the base year, or ten
4 2 percent of the amount by which the budget guarantee as
4 3 calculated for the budget year beginning July 1, 2003, exceeds
4 4 the adjusted guarantee amount. For purposes of this
4 5 paragraph, the "adjusted guarantee amount" means the amount
4 6 which would be applicable for the budget year beginning July
4 7 1, 2012, if the budget guarantee were determined for that
4 8 budget year as calculated for the budget year beginning July
4 9 1, 2003. For the purposes of the adjusted guarantee amount
4 10 calculation in this paragraph, the regular program district
4 11 cost calculated for the budget year beginning July 1, 2003,
4 12 shall be increased by an amount equal to seventy dollars
4 13 multiplied by the district's budget enrollment for the budget
4 14 year beginning July 1, 2012.

4 15 Sec. 4. Section 294A.1, Code 2007, is amended to read as
4 16 follows:

4 17 294A.1 EDUCATIONAL EXCELLENCE PROGRAM.

4 18 The purpose of this chapter is to promote excellence in
4 19 education. In order to maintain and advance the educational
4 20 excellence in the state of Iowa, this chapter establishes the
4 21 Iowa educational excellence program. The program shall
4 22 ~~consist of two major phases addressing~~ address the following:
4 23 recruitment of quality teachers.

4 24 1. ~~Phase I -- The recruitment of quality teachers.~~

4 25 2. ~~Phase II -- The retention of quality teachers.~~

4 26 Sec. 5. Section 294A.22, Code 2007, is amended to read as
4 27 follows:

4 28 294A.22 PAYMENTS.
4 29 Payments for ~~each phase of~~ the educational excellence
4 30 program shall be made by the department of administrative
4 31 services on a monthly basis commencing on October 15 and
4 32 ending on June 15 of each fiscal year, taking into
4 33 consideration the relative budget and cash position of the
4 34 state resources. The payments shall be separate from state
4 35 aid payments made pursuant to sections 257.16 and 257.35. The
5 1 payments made under this section to a school district or area
5 2 education agency may be combined and a separate accounting of
5 3 the amount paid for each program shall be included.
5 4 Any payments made to school districts or area education
5 5 agencies under this chapter are miscellaneous income for
5 6 purposes of chapter 257.
5 7 Payments made to a teacher by a school district or area
5 8 education agency under this chapter are wages for the purposes
5 9 of chapter 91A.

5 10 ~~if funds appropriated are insufficient to pay phase II~~
~~5 11 allocations in full, the department of administrative services~~
~~5 12 shall prorate payments to school districts and area education~~
~~5 13 agencies.~~

5 14 Sec. 6. Section 294A.25, subsections 1, 2, and 3, Code
5 15 2007, are amended to read as follows:

5 16 1. For the fiscal year beginning July 1, ~~2003~~ 2008, and
5 17 for each succeeding year, there is appropriated from the
5 18 general fund of the state to the department of education the
5 19 amount of ~~fifty-six million eight hundred ninety-one thousand~~
~~5 20 three hundred thirty-six sixteen million five hundred eleven~~
~~5 21 thousand eight hundred twenty-seven~~ dollars to be used to
5 22 improve teacher salaries. The moneys shall be distributed as
5 23 provided in this section.

5 24 2. The amount of one hundred fifteen thousand five hundred
5 25 dollars to be paid to the department of human services for
5 26 distribution to its licensed classroom teachers at
5 27 institutions under the control of the department of human
5 28 services for payments of minimum nonadministrative salary
~~5 29 supplements~~ for phase ~~II~~ I based upon the average student
5 30 yearly enrollment at each institution as determined by the
5 31 department of human services.

5 32 3. The amount of ninety-four thousand six hundred dollars
5 33 to be paid to the state board of regents for distribution to
5 34 licensed classroom teachers at the Iowa braille and sight
5 35 saving school and the Iowa school for the deaf for payments of
6 1 minimum nonadministrative salary supplements for phase I ~~and~~
~~6 2 payments for phase II~~ based upon the average yearly enrollment
6 3 at each school as determined by the state board of regents.

6 4 Sec. 7. Section 294A.25, subsection 5, Code 2007, is
6 5 amended by striking the subsection and inserting in lieu
6 6 thereof the following:

6 7 5. The amount of two million two hundred forty-four
6 8 thousand four hundred ninety-two dollars to be paid to the
6 9 department for distribution to area education agency teachers
6 10 as defined in section 284.2, subsection 11, for
6 11 nonadministrative salary supplements based upon the average
6 12 student certified enrollment in the region.

6 13 Sec. 8. Section 294A.25, subsection 6, Code 2007, is
6 14 amended to read as follows:

6 15 6. Except as otherwise provided in this section, for the
6 16 fiscal year beginning July 1, ~~2003~~ 2008, and succeeding fiscal
6 17 years, the remainder of moneys appropriated in subsection 1 to
6 18 the department of education shall be deposited in the
6 19 educational excellence fund to be allocated in an amount to
6 20 meet the requirements of this chapter for phase I ~~and phase~~
~~6 21 II.~~

6 22 Sec. 9. Sections 294A.8 through 294A.10, Code 2007, are
6 23 repealed.

6 24 Sec. 10. EFFECTIVE AND APPLICABILITY DATES. This Act,
6 25 being deemed of immediate importance, takes effect upon
6 26 enactment and applies to school budget years beginning on or
6 27 after July 1, 2008.

6 28 EXPLANATION

6 29 This bill transfers the equivalent of the phase II funding
6 30 of the educational excellence program into the state school
6 31 foundation aid formula and eliminates phase II of the program.

6 32 The bill adjusts the school aid formula to add \$70 per
6 33 pupil of phase II dollars to the regular program state cost
6 34 per pupil beginning with the budget year beginning July 1,
6 35 2008. The bill makes adjustments to the budget guarantee
7 1 calculations in order to take into account the increase in the
7 2 regular program state cost per pupil due to the addition of
7 3 the \$70.

7 4 The bill amends Code section 294A.25 to appropriate
7 5 \$16,511,827 for phase I programs and to improve teacher
7 6 salaries, including nonadministrative salary supplements. The
7 7 remainder of these funds not specifically allocated in Code
7 8 section 294A.25 are deposited in the educational excellence
7 9 fund to be used to meet the general requirements of phase I
7 10 funding.
7 11 The bill takes effect upon enactment and applies to school
7 12 budget years beginning on or after July 1, 2008.
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